Contracts for supply of natural gas

2256. SHRI AMAR SINGH:
SHRI UDAY PRATAP SINGH:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that a number of companies in the power sector have signed a deal with the private contractor engaged in the exploration of natural gas from D6 Block of KG Basin; and

(b) if so, the details of the companies and the rate on which the contract has been signed?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) and (b) NTPC Ltd. a company under the administrative control of Ministry of Power, invited bids under International Competitive Bidding for procurement of natural gas to its Kawas and Gandhar Expansion Projects for a period of 17 years. After evaluation of bids on 14.05.2004, Reliance Industries Limited (RIL), which quoted US Dollar 3.18 Per Million British Thermal Unit at Power Plant boundary, was found to be the lowest techno-commercially acceptable bidder. A Letter of Intent was placed on 16.06.2004 on RIL and the same was acknowledged by them.

Subsequently, RIL sought major changes in the Gas Sale and Purchase Agreement (GSPA) in the form of Limitation of Liability and RIL did not sign the GSPA. Therefore, NTPC filed a suit in the High Court of Judicature in Bombay against RIL on 20.12.2005 for specific performance of the contract.

Ministry of Petroleum and Natural Gas has received a proposal from RIL on 18.05.2007 for approval of price formula by the Government of gas scheduled to be produced from KG Basin D-6 Block. The Government is not aware as to the signing of the Term Sheet between RIL and the proposed buyers.

Pricing of natural gas

2257. SHRI UDAY PRATAP SINGH:
SHRI AMAR SINGH:

Will the Minister of POWER be pleased to state:

(a) whether the Ministry had approached the Ministry of Chemicals and Fertilizers to ensure that the pricing of natural gas is on the benchmarked price arrived between NTPC and RIL earlier;

(b) whether the Ministry had called suggestions from its Public Sector Undertakings on the pricing formula of natural gas; and

(c) if so, the details about the responses received from them?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) No, Sir.

(b) and (c) NTPC Limited, a Central Public Sector Undertaking under the administrative control of the Ministry of Power has requested the Ministry of Petroleum and Natural Gas to take necessary action including approval of the price

as discovered by NTPC for supply of gas by Reliance Industries Limited (RIL) to its Kawas and Ghandhar Expansion Projects for a period of 17 years through a transparent bidding process in 2004.

Special Purpose Vehicle for transmission lines

2258. SHRIMATI N.P. DURGA: Will the Minister of POWER be pleased to state:

(a) by when Government are planning to set up a Special Purpose Vehicle for transmission lines identified by private sector;

(b) whether the Ministry has also written to Power Finance Corporation of India to work out the modalities;

(c) if so, the details thereof;

(d) whether against the target of Rs. 9,000 crore private capital investment in the transmission segment during the Tenth Five Year Plan, only Rs.1,200 crore has been achieved;

(e) if so, the reasons behind this and how the SPV would help to increase the private investment in this sector;

(f) the target set for the Eleventh Five Year Plan; and

(g) in what manner Government are planning to achieve this, apart from SPV?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (c) Three Special Purpose Vehicles (SPVs) have been set up by the Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) for identified transmission lines to be executed through Tariff-Based Competitive Bidding.

The SPVs are as follows:

1. Bokaro-Kodarma-Maithon Transmission Company Limited (PFC)
2. East-North Interconnection Company Limited (PFC)
3. REC Transmission Projects Company Ltd. (REC)

The Standard Bid Documents, under the Tariff Based Competitive Bidding Guidelines for Transmission Service, are being finalized in consultation with PFC.

(d) Against a target of Rs.9100 crore from the private sector and an amount of Rs.1612 crore was achieved.

(e) The reasons/details are given in the Statement (*See* below).

The SPVs have been entrusted with the responsibility of preparing Project Profiles, obtaining necessary clearances etc. This would facilitate private developers participating in transmission.

(f) Out of a total of Rs.75,000 crore investment envisaged in transmission sector during Eleventh Plan, about Rs.20,000 crore is envisaged through the private sector.